(c) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Foreign exchange reserves are used for reducing volatility and maintaining orderly conditions in the foreign exchange market. The level of reserves to be held by the country depends on various factors. With the changing profile of capital flows, the traditional approach of assessing reserve adequacy in terms of import cover has been broadened to include other parameters, like the size, composition, and risk profiles of various types of capital flows, as well as the likely external shocks to which the economy is vulnerable. In its Quarterly Review of the Economy published in April, 2004, the National Council for Applied Economic Research (NCAER) observed that the RBI has been vigorously conducting open market operations in both foreign and domestic assets for stabilising the exchange rate and maintaining a lower level of inflation. The focus of the monetary policy in recent times has been on moderating the impact of foreign currency inflows. During 2003-04, the RBI moderated the impact of foreign currency inflows amounting to Rs. 124,169 crore through open market sale of Government securities and repo operations under the Liquidity Adjustment Facility.

Black money

716. SHRI K. RAMA MOHANA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are seriously considering introducing a new scheme to unearth black money;

(b) if so, whether it is on the lines of the earlier schemes;

(c) if not, the details of the new scheme; and

(d) the details of the target proposed to be achieved through this new scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) to (d) Does not arise in view of reply to part (a).